

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

HOUSE BILL 2719

AN ACT

AMENDING SECTION 36-2943, ARIZONA REVISED STATUTES; RELATING TO THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 36-2943, Arizona Revised Statutes, is amended to
3 read:

4 36-2943. Provider subcontracts; hospital reimbursement

5 A. Subcontracts for services rendered by providers pursuant to section
6 36-2940 shall be awarded through competitive statewide proposals in as nearly
7 the same manner as ~~practical-to~~ that provided in section 41-2534. If there
8 is not a sufficient number of qualified proposals, a subcontract may be
9 negotiated with a provider and shall be awarded pursuant to section
10 41-2536. In order to deliver covered services to members enrolled or
11 expected to be enrolled in the system within a county, the program contractor
12 may negotiate and award without bid a provider subcontract if during the
13 contract year there is an insufficient number of subcontracts awarded to
14 providers. The term of the subcontract shall not extend beyond the next bid
15 and subcontract award process as provided in this section, and the
16 subcontract shall be at rates no greater than the weighted average rates for
17 the appropriate level of care paid to similar providers in the same
18 county. This section does not allow a program contractor to forego the
19 competitive bid process pursuant to section 41-2534 unless there is an
20 unanticipated increase in members enrolled in the system or a decrease in
21 available beds brought about by the closure of a facility operated by a
22 provider ~~which~~ THAT is unable to be absorbed by current contracting providers
23 located in the same general area. ~~Prior to~~ BEFORE soliciting subcontracts
24 without the competitive bid process, the program contractor shall receive
25 approval from the director.

26 B. Hospitals ~~which~~ THAT render care to members shall be paid by the
27 program contractor as prescribed in section 36-2903.01, or such lower rate as
28 may be negotiated by the program contractor.

29 C. The director may ensure through the subcontracts pursuant to
30 subsection A of this section that at least ten per cent of the members are
31 provided services pursuant to this article on a capitation basis.

32 D. A LICENSED SKILLED NURSING FACILITY, ASSISTED LIVING, HOME AND
33 COMMUNITY BASED ARIZONA LONG-TERM CARE SYSTEM PROVIDER THAT RENDERS CARE TO
34 MEMBERS PURSUANT TO THIS ARTICLE SHALL BE PAID BY THE PROGRAM CONTRACTOR
35 WITHIN THIRTY CALENDAR DAYS AFTER SUBMITTING A CLEAN CLAIM. ANY CLEAN CLAIM
36 NOT PAID WITHIN THIRTY CALENDAR DAYS ACCRUES INTEREST AT THE RATE OF ONE PER
37 CENT PER MONTH FROM THE DATE THE CLAIM IS SUBMITTED, PRORATED ON A DAILY
38 BASIS, AND MUST BE PAID BY THE PROGRAM CONTRACTOR AT THE TIME THE CLEAN CLAIM
39 IS PAID.